

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the)	
)	
PUBLIC UTILITIES COMMISSION)	DOCKET NO. 03-0372
)	
Instituting a Proceeding to)	
Investigate Competitive Bidding)	
For New Generating Capacity in)	
Hawaii)	
_____)	

HESS MICROGEN, LLC'S MOTION TO INTERVENE

and

CERTIFICATE OF SERVICE

PUBLIC UTILITIES
COMMISSION

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FILED

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MOTION TO INTERVENE

TO THE HONORABLE PUBLIC UTILITIES COMMISSION OF THE STATE
OF HAWAII:

Movant HESS MICROGEN, LLC ("Movant") hereby moves the
Hawaii Public Utilities ("Commission") for an order
allowing Movant to intervene as a party in this Docket
pursuant to Hawaii Revised Statutes Section 269-6 and
Sections 6-6-41 and 6-61-55 Rules of Practice and Procedure
before the Public Utilities Commission, Chapter 61, of
Title 6 of the Hawaii Administrative Rules ("H.A.R."). In
support of this Motion, Movant states as follows:

1. Procedural History of this Docket.

This Docket was opened by the Commission on October
21, 2003, by Order No. 20583. The purpose of this Docket
". . . is to evaluate competitive bidding as a mechanism for

acquiring or building new generating capacity in Hawaii."¹
Currently, the Docket is in its twenty (20) day
intervention period. Thus, the investigation has not
commenced.

2. Movant. Movant's full name and business address
is as follows:

Hess Microgen, LLC
74-5491 Kaiwi Street, Unit 15/16
Kailua-Kona, Hawaii 96740

However, all correspondence related to this Docket should
be sent to:

Hess Microgen, LLC
c/o Sandra-Ann Y.H. Wong
Attorney at Law, A Law Corporation
1050 Bishop Street, #514
Honolulu, Hawaii 96813

3. Nature of the Movants' Rights.

As an integral player in the distributed generation
industry in Hawaii for the past four (4) years, Movant has
a right to intervene in this Docket to "...explore
competitive bidding issues affecting the electric industry
in Hawaii."² Moreover, Movant, as a limited liability
company authorized to do business in the State of Hawaii,
is a "person" as defined by Rule 6-61-2 H.A.R. that is
permitted to request Commission approval to intervene and
be made a party pursuant to Rule 6-61-55 H.A.R.

¹ See Commission Order No. 20583 at 1.

4. Nature and extent of Movant's Property, Financial or Other Interest.

Movant is a wholly owned subsidiary of Amerada Hess Corporation, a Fortune 200 energy company with a seventy year history of customer service. Movant is a pioneer and industry leader in the production, distribution, and installation of skid-mounted packaged Combined Heat and Power systems ("CHP")³. Movant's systems are independently recognized as leaders in efficiency, reliability, power quality, and environmental friendliness. Utilizing packaged CHP systems allows the Movant to bring the benefits of onsite CHP, which is an energy efficient and environmentally friendly form of distributed generation to a wide range of customer types, including, but not limited to: hotels, resorts, supermarkets, commercial building, and light to medium industry.

The Movant is in the business of both manufacturing CHP equipment and operating the systems at a client's

² Ibid at 2.

³ CHP is a form of distributed generation. CHP is an electricity generating system whose waste heat is captured and used for heating and/or cooling applications. The key benefit of CHP, and the reason why it has garnered support nationally and in other states, is that it is inherently more efficient and environmentally friendlier than conventional electric generated power. Conventional electrical generation wastes a substantial portion of the fuel energy by allowing the heat created in the generation process to escape into the atmosphere in the form of thermal pollution. Additionally, the losses in the transmission and distribution system add to the inefficiency, such that approximately only 1/3 or less of the energy in the original fuel results in usable power for the customer.

facility. In some cases, the Movant provides its clients with energy savings without its clients having to incur any capital or operating costs.

In Hawaii, the Movant has spent the past four (4) years and approximately Six Million Dollars building its business and business reputation in the State of Hawaii. Movant is the leading installer of CHP systems in Hawaii. Also, in Hawaii, Movant employs island residents for the installation, service, and sale of its CHP systems.

The Movant currently has eleven (11) facilities in the State of Hawaii. Also, Movant has some customers with a national account who have facilities in Hawaii. These customers are pressing Movant to implement CHP systems in their facilities in Hawaii.

Additionally, on February 2003, the Movant signed a Teaming Agreement with Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and Maui Electric Company, Limited (hereinafter jointly referred to as "HECO") to assist HECO in the installation, operation, and maintenance of CHP systems at customer sites in Hawaii. HECO entered into this Agreement because of Movant's unique packaging concept which offers skid mounted, pre-wired,

pre-piped, and factory tested CHP systems.⁴ HECO found that the design approach followed by the Movant for its packaged CHP systems is cost effective because it reduces on-site construction time and disruption as well as start-up problems.⁵ Also, Movant performs thorough factory tests and evaluation of individual components and the total system for reliability and value.⁶ The Teaming Agreement affords HECO the opportunity to obtain distributed generation equipment from Movant at competitive prices. It is also non-exclusive and allows HECO to seek equipment from other vendors.

In summary, Movant has been offering the ratepayers in Hawaii another equipment source in the context of an entirely different generation option. Therefore, the evaluation of competitive bidding as a mechanism for acquiring or building new generating capacity in Hawaii that will be done in this docket will have an effect on Movant's unique business and financial interests both in Hawaii and nationally.

⁴ See HECO's Application for Approval of a CHP Program Schedule CHP-Customer-Sited Utility-Owned Cogeneration Service, Inclusion of Related Fuel Costs in the Energy Cost Adjustment Clause, and a Modification to the Energy Cost Adjustment Clause and Schedule Q, Docket No. 03-0366 at 47.

⁵ Ibid.

⁶ Ibid.

5. Effect of the Pending Order as to Movant's Interest.

This proceeding raises broad and possibly precedent-setting issues pertaining to competitive bidding as a mechanism for acquiring or building new generating capacity in Hawaii, thus, any Decision and Order in this Docket could have significant impact on the Movant's distributed generation CHP business since it is intended to evaluate how all generation options could compete in an competitive bidding system in Hawaii. These generation options would include the type of systems that Movant has previously sold and installed in Hawaii on its own, or which it may sell and install in the future by itself or under the HECO Teaming Agreement.

6. Other Means Available Whereby Movant's Interests May be Protected.

Since the Commission's investigation will be a broad and all encompassing review which will include: equity and efficiency considerations, encouragement of competitive generation options and new technologies, lower costs through competition, more choices, reliable supplies, and a level playing field on which all generation options could compete; there is no other means for Movant to protect its interest, but to be a party in this Docket.

7. Extent to Which Movant's Interests Would be Represented by Existing Parties.

The Movant's interest cannot be represented by any existing parties in this Docket because none of the existing parties share the same unique interests as Movant. Four out of the five existing parties are public utilities who sell and market electricity to consumers as a regulated entity. While Movant also share the utilities' interest in providing reliable and low cost power, the Movant is primarily a manufacturer and developer of CHP distributed generation systems, rather than a seller of energy to consumers.

As to the Consumer Advocate, although Movant also shares the Consumer Advocate's interest in providing reliable power at the lowest possible cost to the consumers, Movant as a manufacturer and developer of CHP distributed generation systems has its own unique business and economic interests that may be affected by this proceeding in ways which differ from the impacts on consumers of distributed generation. Likewise, the Movant brings specialized technical knowledge because of its experience in the distributed generation business generally and the CHP business in particular which cannot be

adequately represented or replaced by the Consumer Advocate.

The Movant is the only party that can adequately speak for its own unique business and economic interests.

8. The Movant's Intervention Will Assist in the Development of a Sound Evidentiary Record.

Movant is in a unique position because it is the only entity that has manufactured, installed, developed, and operated substantial numbers of distributed generation CHP systems in Hawaii and also has substantial experience nationwide in distributed generation policy issues.

Secondly, Movant is the only manufacturer that has agreed to work with a public utility to assist the public utility in installing, developing, and operating its only CHP systems for the public utilities' ratepayers.

Finally, Movant has been an integral player in bringing distributed generation issues, which include encouraging new technologies & creative proposals; lowering electricity prices and; offering more choices to the ratepayers, to the attention of regulators and the Hawaii State Legislature. Therefore, with this experience and expertise, Movant's intervention will assist the Commission in developing a sound evidentiary record.

Movant's interests are directly related to the scope of this Docket.

9. Extent to Which the Movant's Intervention Would Broaden the Issues or Delay the Proceedings.

The Movant's intervention will not unduly broaden the issues nor unduly delay the progress of this proceeding. In fact Movant's experience and expertise in the distributed generation industry will assist the Commission to ensure that a comprehensive examination takes place.

10. The Movant's Interest Compared with the Interest of the General Public.

The Movant's Interest in this Docket differs from that of the general public because the Movant is a manufacturer, supplier, developer and operator of packaged CHP systems as, opposed to a consumer of electricity. Therefore, it may be impacted differently than the general public. Movant may have business and economic interests that will differ from the general public.

11. Movant's Position.

As an integral player in the distributed generation industry in Hawaii for the last four (4) years, Movant has the experience and expertise pertinent to the objectives of the Commission and the issues they want to address, without unreasonably broadening the issues in this Docket.

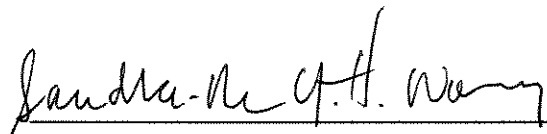
Additionally, Movant has unique business and economic

interests that cannot be represented by any other party to this Docket. The decisions made in this Docket may have great impacts on Movant's business and financial investments for many years, and there is no other adequate means, but by intervention for the Movant to protect its business and economic interest.

Movant does not request a hearing on this Motion.

WHEREFORE, Movant respectfully requests an order granting its Motion to Intervene and be granted intervenor status in this Docket.

DATED: Honolulu, Hawaii, November 10, 2003

A handwritten signature in cursive script, reading "Sandra-Ann Y.H. Wong", written over a horizontal line.

SANDRA-ANN Y.H. WONG

Attorney for
Hess Microgen, LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this date served copies of the foregoing Motion to Intervene upon the following parties, by causing copies hereof to be hand delivered or mailed, postage prepaid, and properly addressed to each such party as follows:

DIVISION OF CONSUMER ADVOCACY
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
P.O. BOX 541
Honolulu, HI 96809
(2 copies)

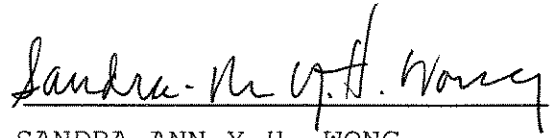
WILLIAM A. BONNET
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HAWAIIAN ELECTRIC COMPANY, INC.
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2970 Haleko Road, Suite 202
Lihue, Kauai, HI 96766

DATED: Honolulu, Hawaii, November 10, 2003

A handwritten signature in cursive script, reading "Sandra-Ann Y.H. Wong", is written over a horizontal line.

SANDRA-ANN Y.H. WONG

Attorney for
Hess Microgen, LLC